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Proposed Attorneys for Debtor and Debtor in Possession

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re)	Case No. 23-32366-pcm11
)	
Local 8, International Longshoremen's and)	DEBTOR'S RESPONSE TO CASE
Warehousemen's Union,)	MANAGEMENT ORDER
)	
Debtor.)	
)	
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Pursuant to 11 USC § 1188 and the Court's Order Setting Case Management Conference and Notice of Possible Dismissal [ECF 30] (the "Order"), the Debtor, Local 8, International Longshoremen's and Warehousemen's Union ("Debtor" or "Local 8") hereby provides the Debtor's financial reports and information as required by the Order, available as of November 2, 2023.

The Debtor, by separate Motion, is also requesting an extension of 45 days to provide supplemental information, and a further date for a continued case management conference, if necessary.

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1 A. Debtor's Case Management Report.

2 Local 8 filed this case on October 18, 2023 – less than two weeks ago.¹ During the first
3 two weeks of the case, Local 8 has attended to its “First Day Motions,” including confirming
4 requirements of cash management with the U.S. Trustee’s office and other matters. Local 8 intends
5 to reach out to creditors to discuss the proposed terms of a plan, and how to limit and discourage
6 wasteful and disproportionate litigation activities, but has not yet drafted a plan or initiated such
7 discussions.

8 As the Court is also aware, there is another bankruptcy case pending in the Northern
9 District of California filed by the International Longshore and Warehouse Union (“ILWU”), which
10 is a separate legal entity from the Debtor. Both debtors were named defendants in a lawsuit ICTSI
11 Oregon, Inc. (“ICTSI”) filed approximately ten years ago in the federal district court in Oregon.
12 Remaining at issue in that action is the amount of damages allegedly due to ICTSI, which seeks
13 millions of dollars for alleged unfair labor practices. ICTSI’s claim remains unliquidated in
14 amount, with only liability having been determined as of the petition dates. The ICTSI litigation
15 and its impact on Local 8’s membership, creditors, and prospects for Local 8’s survival in the
16 future were substantial factors contributing to Local 8’s decision to file for relief under Chapter 11
17 of the Bankruptcy Code.

18 Local 8 intends to reach out to ICTSI in an attempt to reach consensus on a plan, including
19 potential agreement on the allowed amount of ICTSI’s claim for purposes of voting and
20 distribution. Such compromise is critical to avoid costly and expensive litigation over the amount
21 of ICTSI’s claim. If ICTSI seeks to continue pursuit of litigation to determine the allowed amount
22 of its claim, Local 8 is concerned the administrative costs of such litigation could result in no
23 meaningful distributions to other creditors. As evidenced by Local 8’s reports filed to date, the
24 Debtor’s disposable income and the liquidation value of its assets are insubstantial in comparison
25

26 ¹ 11 USC § 1188 provides for a status conference not later than 60 days after entry of the order for relief.

1 to any amount ICTSI will likely claim in damages.

2 Local 8 anticipates the same issues will arise or have already arisen in the ILWU
3 Chapter 11, in which ICTSI is a creditor. The bankruptcy court in the ILWU case in California
4 may be the first to confront issues regarding liquidation of ICTSI's claim, and the debtor in that
5 case may have greater assets to satisfy ICTSI's demands and pay litigation defense costs than
6 Local 8. Accordingly, the best course, consistent with the interests of Local 8's creditors, may be
7 to await, solely for the purpose of determining the claim amount, the outcome of claim liquidation
8 proceedings in California, rather than continue the same fight in this case with all the attendant
9 fees at this time. Local 8 expects to file an application in this case to employ its current litigation
10 counsel for the still-pending ICTSI litigation if ICTSI is allowed to move forward to liquidate
11 ICTSI's claim; however, Local 8 cannot afford to pay such counsel, experts, and related fees for
12 extensive additional litigation to liquidate ICTSI's claim in the district court. Local 8 believes
13 nothing positive can be achieved for its creditors through concurrent claims litigation in both
14 California and Oregon. Local 8 will be crippled by the defense costs alone. Accordingly, Local 8
15 believes it may be in the best interests of creditors, and most proportional to the relative sizes of
16 the cases, for this Court to wait and see the outcome of the ICTSI claims litigation in the California
17 bankruptcy, and allow Local 8, in the meantime, to continue its operations in the ordinary course
18 and negotiate towards filing a consensual plan, if possible.

19 In summary, from what is known to date, the cost of the ICTSI claims litigation – in or
20 outside of bankruptcy court – is likely to be very significant and unaffordable for this debtor.
21 However, the efforts to develop and confirm a plan are likely to be successful once Local 8
22 determines the liquidation value of its assets and amount of its disposable income. Local 8 intends
23 to proceed with those efforts at this time.

24 B. Other Information to Meaningfully Address Case Management.

25 To facilitate a productive initial case management conference on November 16, 2023, the
26 Debtor and its counsel submit the following documents, which may be supplemented in the event

further information is needed by the Court:

1. **Exhibit A: Weekly Cash Flow Analysis for upcoming 120-day period;**²
2. **Exhibit B: Financial Information -- Last 3 Years;**
3. **Exhibit C: Statement of Income and Expenses since the petition date and indication as to amount of paid and unpaid expenses; and**

4. **Debtor's Anticipated Costs of Professional Services During Chapter 11:**
Local 8's counsel anticipates it will likely average \$25,000 per month in professional services for bankruptcy counsel during the Chapter 11. This budget excludes any litigation fees to liquidate ICTSI's claim through litigation in federal district court, or in protracted claims proceedings in the bankruptcy court.

C. Matters for Discussion at Case Management Conference(s): In response to topics listed for discussion on page 1 of the Order, sections 1-11:

1. The Debtor anticipates it will assume its building lease and all subleases;
2. The Debtor anticipates there may be contested stay relief litigation by ICTSI to liquidate its claim in further proceedings in the U.S. District Court, District of Oregon;
3. The Debtor does not have any secured creditors and does not anticipate adequate protection proceedings;
4. The Debtor intends to continue operating during the Chapter 11 and to propose and confirm a plan under Subchapter V of Chapter 11;
5. Local 8 will file a proposed Plan of Reorganization no later than 90 days after the petition date (and likely much sooner), and will also seek Court approval of (a) a date for hearing on confirmation of the Plan, (b) a date by which a plan and notice to creditors must be transmitted, and (c) fixing the date by which holders of claims and interests may vote to accept or reject the

² The Debtor has submitted documents covering six weeks only at this time due to the limits of Debtor's Quickbooks program. Debtor will extend the projection for the 120 days requested as soon as possible.

1 plan; and

2 6. The Debtor has filed all of its pre-petition tax returns.

3 Dated: November 2, 2023

4 SUSSMAN SHANK LLP

5 /s/ Susan S. Ford

6 By

7 Susan S. Ford, OSB No. 842203
8 Proposed Attorneys for Debtor
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INTERNATIONAL LONGSHORE & WAREHOUSE

Weekly Cash Flow Projection

November 02 through December 16, 2023

	Current Week	11/5/23	11/12/23	11/19/23	11/26/23	12/3/23	12/10/23
Cash:							
Beginning Cash	281,869	345,409	295,328	221,028	215,128	191,728	238,868
Cash Receipts	0	11,252	11,252	11,252	11,252	11,252	11,252
Adjustments	98,000	-1,252	-1,252	-6,252	-5,252	86,748	-1,252
Total Cash	379,869	355,409	305,328	226,028	221,128	289,728	248,868
Business Expenses:							
PAYROLL	13,300	0	0	0	0	0	0
PAYROLL LIABILITIES	5,800	0	0	0	0	0	0
PAYROLL	0	7,500	0	0	0	0	0
PAYROLL LIABILITIES	0	2,800	0	0	0	0	0
PAYROLL	0	0	7,500	0	0	0	0
PAYROLL LIABILITIES	0	0	2,800	0	0	0	0
PAYROLL	0	0	0	7,500	0	0	0
PAYROLL LIABILITIES	0	0	0	2,800	0	0	0
PAYROLL	0	0	0	0	0	0	5,800
PAYROLL TAX EXPENSE	0	0	0	0	0	0	2,800
PAYROLL TAX EXPENSE	0	0	0	0	2,500	0	0
AFFILIATION FEES	0	33,000	0	0	0	33,000	0
OFFICE SUPPLIES	800	0	0	0	800	0	0
OFFICE SUPPLIES	0	400	0	0	0	0	400
OFFICE SUPPLIES	0	0	100	0	0	0	0
OFFICE SUPPLIES	0	0	0	200	0	0	0
UTILITIES & TELEPHONE	0	6,000	0	0	0	0	6,000
HALL EXPENSES	0	5,000	0	0	0	0	0
HALL EXPENSES	0	0	0	0	0	0	5,500
JOINT HALL EXPENSES	0	0	16,000	0	0	0	0
RENT EXPENSE	7,560	0	0	0	0	7,560	0
MEETING EXPENSE	0	0	0	400	0	0	0
PROPERTY TAXES	0	0	46,000	0	0	0	0
INSURANCE:BA PENSION CONTRIBUTION	0	0	5,400	0	0	0	5,400
INSURANCE:OFFICE PENSION CONTRIBUTIOI	7,000	0	0	0	0	0	0
INSURANCE:GENERAL LIABILITY INS	0	5,381	0	0	0	0	0
PROFESSIONAL FEES:ACCOUNTING FEES	0	0	6,500	0	0	0	0
INSURANCE:OFFICE PENSION CONTRIBUTIOI	0	0	0	0	7,000	0	0
PAYROLL	0	0	0	0	0	7,500	0
PAYROLL LIABILITIES	0	0	0	0	0	2,800	0
PAYROLL	0	0	0	0	13,300	0	0
PAYROLL LIABILITIES	0	0	0	0	5,800	0	0
Adjustments	0	0	0	0	0	0	0
Total Business Expenses	34,460	60,081	84,300	10,900	29,400	50,860	25,900
Cash Available for Disbursement	345,409	295,328	221,028	215,128	191,728	238,868	222,968
Accounts Payable:							
None	0	0	0	0	0	0	0
Adjustments	0	0	0	0	0	0	0
Total Accounts Payable	0	0	0	0	0	0	0
Ending Cash Balance	345,409	295,328	221,028	215,128	191,728	238,868	222,968

**INTERNATIONAL LONGSHOREMEN'S AND
WAREHOUSEMEN'S UNION, LOCAL #8**

Statement of Cash Receipts and Disbursements

December 31, 2022

(See Accompanying Notes and Accountant's Review Report)

Beginning balance summary:

Cash on hand	\$ 12,363
General checking account	18,690
Checking account	270
Credit union account	150,349
Certificate of deposit	301,740
Picnic account	<u>629</u>
 Total beginning balance	 <u>484,041</u>

Receipts (note 14)	1,978,961
Disbursements (note 15)	<u>2,035,000</u>

Ending balance	<u><u>\$ 428,002</u></u>
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Ending balance summary:

Cash on hand	\$ 13,857
General checking account	45,439
Checking account	270
Credit union account	64,759
Certificates of deposit	303,029
Picnic account	<u>648</u>
 Total ending balance	 <u><u>\$ 428,002</u></u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Local

International Longshoremen's and Warehousemen's Union, Local #8 (the Local) was formed as a non-profit organization in 1934. The Local was formed to unite all of the longshoremen and other members under the jurisdiction of the International Longshoremen's and Warehousemen's Union, Local #8 for the purpose of securing concert of action in whatever they may regard as beneficial to their mutual interests. The Local, in Portland, Oregon, is affiliated with the International Union in San Francisco.

Method of Accounting

International Longshoremen's and Warehousemen's Union, Local #8 presents its financial statements on the cash basis of accounting. Under this method, all receipts of funds are treated as income and all disbursements are treated as expenditures, regardless of the character of the receipt or disbursement. Thus, loans are treated as income and not as an increase in liabilities. Expenditures for long-lived assets are treated as disbursements rather than as assets. Therefore, the only assets of the Local are the cash on hand and in depository institutions. This amount is also considered the fund balance. No liabilities or other assets are reflected.

Federal Income Taxes

The Local is recognized as an exempt organization under Internal Revenue Code Section 501(c)(5). Therefore, it is not liable for federal income taxes on its exempt functions.

Description of the Bank Accounts

General checking account - This account is used for the primary day-to-day activities of the Local. Most of the operating income and expenses flow through this account.

Picnic account - This account is used for the annual picnic. Members make donations to cover the costs of the picnic. The picnic expenses are paid out of this account.

Savings accounts, certificates of deposit, and checking accounts - Excess funds not currently needed in operations are deposited in savings accounts and certificates of deposit to earn more interest on these funds.

Contributions

Contributions are recognized when received from donors. Contributions that are restricted by the donor are reported as increases in unrestricted cash accounts if the restrictions expire in the fiscal year in which the contributions are recognized. There is \$648 in contributions that are restricted for the next annual picnic. All donor restricted cash balances are temporarily restricted, there are no permanently restricted cash balances.

NOTE 2 - COMMITMENTS

The Local negotiated a lease agreement with the Columbia River Pensioners Association for the building it occupies. Based on the Consumer Price Index, the lease payments will be increased or decreased twelve months after the initial lease term and the beginning of every fifth year period of the lease. The Local paid \$90,720 in rents for 2022. The lease is set to expire May 31, 2027. At that time, the Local would have the option to either renew the lease for an additional ten successive terms of five years each or to purchase the building. The purchase price would be 50% of the real market value of the land and improvements as determined by the Multnomah County Tax Assessor. The Local is also leasing a copy machine from Pacific Office Automation. The total rent paid for the copier for 2022 was \$4,764, which included \$456 of additional fees for excess usage.

Future minimum rental payments for the succeeding five years are as follows:

	<u>Building</u>	<u>Copier</u>
2023	\$90,720	\$4,308
2024	\$90,720	\$4,308
2025	\$90,720	-
2026	\$90,720	-
2027	\$37,800	-

In 1995, the Local paid the Columbia River Pensioners \$240,000 in prepaid rent. In 2002, the Local paid two months' rent totaling \$13,340. The remaining ten months' rent was offset against the prepaid rent. The prepaid rent was reduced by \$66,700. In 2004, the Local paid \$51,000 in prepaid rents. In 2011, the Local paid an additional \$49,000 in prepaid rents. In 2012, the Local paid \$21,000 in prepaid rent. The Pensioners then refunded the Local \$58,000 of prepaid rents. In 2013 and 2014, the Local paid \$40,000 and \$32,722 in prepaid rent respectively. In 2015, \$50,120 in prepaid rent was paid and \$63,000 in prepaid rent was refunded. There was a net decrease of \$12,880 in prepaid rent. In 2016 and 2017, \$26,359 and \$46,000 respectively, in prepaid rent was refunded. During 2021, \$15,120 in prepaid rent was applied to the rent expense. The prepaid balance as of December 31, 2022 is \$208,663.

The Local is subleasing a portion of the building. See Note 11 – Sublease.

NOTE 3 - COAST LONGSHORE DIVISION RESERVE FUND

Coast Longshore Division is a division of the International Union in San Francisco. The Local has advanced \$12,088 to the reserve operating fund of this committee. This money is in the way of assessments or additions to regular billings. If the Coast Longshore Division discontinues operations, this money would be reimbursed to the Local.

NOTE 4 - RELATED-PARTY TRANSACTIONS

Members of the Local were on various regional and international committees. The Local incurred expenses and was reimbursed by the Pacific Maritime Association for the wages, per diem, and paymaster expenses. The 2022 reimbursements were \$92,298.

Note 15 on page 9 shows \$85,137 for mileage and per diem to officers. The Local provides its officers with a weekly expense allowance, as well as covering their expenses for meetings, mileage, etc. The following schedule shows how much was paid to each person for these purposes.

Randy Booker	\$ 368
Matthew Findley	5,800
Kyle Hanson	3,260
Bruce Holt	5,654
Kevin Knoth	1,404
Troy Mosteller	1,538
Brian Murrell	1,035
Shelby Palmer	3,908
Stuart Strader	4,539
Leal Sundet	30,551
Adam Wetzell	<u>27,080</u>
Total	<u>\$85,137</u>

NOTE 5 - PENSION PLAN

Note 15 on page 9 includes \$81,786 for office employee pension contributions. The name of the plan is Office and Professional Employees International Union, Local #11. It is completely administered by Local #11. This plan covers the bookkeeper and office staff of the Local. It is a defined contribution plan. There are two separate funds within this plan. One is for \$3.93 per hour and is paid to Western States Office and Professional Employees Pension Fund. There was a \$3.1440 per hour assessment due to implementation of "Red Zone" status of the pension plan. The hourly assessment is negotiated by the employee. In lieu of medical coverage, the Local also paid an additional \$19,552 to the office manager's 401(k) plan.

The Local also pays premiums to Pacific Maritime for the cost of the business agent's pension and medical. The business agent is then covered by the ILWU-PMA Pension/Welfare Plan. The total amount reimbursed in 2022 was \$68,014 of which \$27,814 was for pension. The rate was \$15.47 for hours through June 30, 2022, and \$16.73 for hours through December 31, 2022.

NOTE 6 - JOINT EXPENSES

Note 15 on page 9 shows \$187,493 for joint hiring hall expenses. These expenses are paid monthly to the Portland Joint Labor Relations Committee for the Local's share of the joint expenses that the Portland Joint Labor Relations Committee has paid. The breakdown of these items follows:

Wages/dispatcher	\$120,250
Payroll taxes	71,427
Benefit assessment	11,724
401(k)	1,671
Rent	4,536
Repair & maintenance	16
Utilities	2,318
Protection	228
Telephone	591
Workers compensation insurance	174
Office expense	1,247
Cleaning supplies	186
Furniture and equipment	227
Janitorial	2,514
Audit & tax services	950
Property taxes	1,979
Deposit-casual collections	<u>(32,545)</u>
Total	<u>\$187,493</u>

The Local also receives reimbursements from the Joint Labor Relations Committee for the committee's share of the joint expenses that the Local pays. Note 14 on page 9 shows \$92,298 for joint committee reimbursements. The breakdown of these items follows:

Rent	\$ 30,240
Utilities & telephone	21,789
Janitorial	15,172
Hall expenses	1,319
Property taxes	13,192
Copier	2,453
Fax machine	1,511
Dispatcher supplies	983
Miscellaneous	<u>5,639</u>
Total	<u>\$ 92,298</u>

NOTE 7 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Local maintains cash balances at several financial institutions located in Oregon. Accounts at each institution are insured by the Federal Deposit Insurance Corporation or National Credit Union Association up to \$250,000. On December 31, 2022, the uninsured bank balance was \$118,707.

The primary source of revenue is union dues which are paid exclusively by union members and pro-rata payments paid by non-union limited registered and identified casual workers; and affiliated workers. All are represented by Local 8, and all are employed in a single related industry and are concentrated in the Portland metro area.

NOTE 8 – INCOME TAX POSITIONS

The Local has been granted tax-exempt status under I.R.C. 501(c)(5). Under the provisions of this section, the Local pays no income tax on any revenue related to its exempt purpose. The Local is required to file an annual informational return with the Internal Revenue Service. In the opinion of management, the Local did not enter into any transactions that may be subject to income tax on unrelated business income during the year ended December 31, 2022. Tax years that remain subject to examination are 2019, 2020, 2021 and 2022.

In accordance with the cash basis of accounting, the Local's policy is to record interest and penalties when they are paid.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 31, 2023 which represents the date the statement was available to be issued.

NOTE 10 - CONTINGENCIES

There is one matter where it is reasonably possible that the outcome may result in a liability to the Local. A major terminal operator, ICTSI Oregon, Inc., ceased operations at terminal 6 in March of 2015. The Local is a Co-Defendant along with it's International ILWU. The Coast Longshore Division (CLD) has assumed responsibility for the litigation expenses related to this matter. On November 4, 2019, a jury returned a verdict in favor of ICTSI Oregon Inc. with damages of \$93,635,000 awarded. The jury concluded that \$51,493,750 (55%) of those damages were the sole responsibility of the ILWU and \$41,131,250 (45%) were the sole responsibility the Local 8. The case is currently being appealed in the Ninth Circuit Court. A district judge has vacated the \$93,635,000 judgement and a new damages trial has been set for February 2024. Management and counsel intend to vigorously contest this matter and the liability, if any, resulting from this legal matter could be material in relation to the accompanying financial statement.

NOTE 11 - SUBLEASE

In 2004, the Columbia River Pensioners constructed facilities for the portion of the building the Local is subleasing to Portland Local 8 Federal Credit Union. The Local and Portland Local 8 Federal Credit Union have a 15-year lease that commenced when the construction was complete effective July 1, 2004. Under the terms of the lease, base rent is \$39,000 for the first 5 years, \$44,850 for the next 5 years, and \$51,578 for the final 5 years. There are two 5-year options to renew the lease, and in July of 2019 the lease was extended to include two additional 5-year options to renew. Rent received from the credit union in 2022 was \$54,690. Sublease base rent for the next five years is as follows:

2023	\$54,960
2024	\$57,403
2025	\$58,241
2026	\$58,241
2027	\$58,241

The Local is also subleasing office space to various other labor organizations. The leases are month-to-month. Total rent for the month-to-month subleases for 2022 was \$15,840.

NOTE 12 – CASH AVAILABLE FOR GENERAL EXPENDITURE

Total cash balance as of December 31, 2022:	\$428,002
Cash for picnic fund:	<u>648</u>
Donor imposed temporarily restricted cash balance:	<u>648</u>
Unrestricted cash balance as of December 31, 2022:	<u>\$427,354</u>

NOTE 13 – GOING CONCERN

The Organization's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. As explained in Note 10, there is a contingent liability related to a lawsuit. Although management has appealed the verdict, the Local has been ordered to pay \$41,131,250 in damages. If these damages are not reversed in appeal, the Local would be insolvent.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Organization, which in turn is dependent upon the Organization's ability to meet its financial requirements, raise additional cash, and the success of its future operations.

Management and counsel intend to vigorously contest this matter and the related liability. The Organization has continued to operate for more than three years after the damages were awarded. Management believes that the appeal provides an opportunity for the Organization to continue as a going concern.

**INTERNATIONAL LONGSHOREMEN'S AND
WAREHOUSEMEN'S UNION, LOCAL #8**

Notes to Financial Statement (Concluded)

December 31, 2022

(See Accompanying Accountant's Review Report)

NOTE 14 - RECEIPTS

Regular dues - Class A	\$ 1,219,676
Permit fees - Class B	299,041
Other divisions	6,300
Meeting fines	6,250
Initiation fees	6,800
Active retired	1,271
Book charges	100
Rent	70,530
Donations	1,430
Joint committee reimbursements	92,298
Interest income	1,365
Ride and raffle proceeds	3,334
Affiliated entity reimbursements	270,091
Miscellaneous	475
Total receipts	<u><u>\$ 1,978,961</u></u>

NOTE 15 - DISBURSEMENTS

Salaries and wages	\$ 703,344
Mileage and per diem	85,137
Affiliation fees	416,624
Office supplies and expense	38,126
Utilities and telephone	74,624
Hall expense	93,633
Joint hiring hall expenses	187,493
Rent	90,720
Meeting expenses	2,700
Death benefits	3,800
Flowers	752
Donations	500
Donations from assessments	9,096
Payroll tax	72,613
Property tax	44,937
Officers' pension reimbursement	68,014
Office employee pension contributions and benefits	81,786
Insurance	22,127
Worker's compensation	2,403
Professional fees	3,700
Reimbursed expenses	5,855
Picnic expenses	27,016
Total disbursements	<u><u>\$ 2,035,000</u></u>

**INTERNATIONAL LONGSHOREMEN'S AND
WAREHOUSEMEN'S UNION, LOCAL #8**

Statement of Cash Receipts and Disbursements

December 31, 2021

(See Accompanying Notes and Accountant's Review Report)

Beginning balance summary:

Cash on hand	\$ 10,758
General checking account	13,487
Checking account	270
Credit union account	111,270
Certificate of deposit	150,378
Picnic account	<u>1,670</u>
 Total beginning balance	 <u>287,833</u>

Receipts (note 14)	1,758,031
Disbursements (note 15)	<u>1,561,823</u>

Ending balance	<u><u>\$ 484,041</u></u>
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Ending balance summary:

Cash on hand	\$ 12,363
General checking account	18,690
Checking account	270
Credit union account	150,349
Certificates of deposit	301,740
Picnic account	<u>629</u>
 Total ending balance	 <u><u>\$ 484,041</u></u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Local

International Longshoremen's and Warehousemen's Union, Local #8 (the Local) was formed as a non-profit organization in 1934. The Local was formed to unite all of the longshoremen and other members under the jurisdiction of the International Longshoremen's and Warehousemen's Union, Local #8 for the purpose of securing concert of action in whatever they may regard as beneficial to their mutual interests. The Local, in Portland, Oregon, is affiliated with the International Union in San Francisco.

Method of Accounting

International Longshoremen's and Warehousemen's Union, Local #8 presents its financial statements on the cash basis of accounting. Under this method, all receipts of funds are treated as income and all disbursements are treated as expenditures, regardless of the character of the receipt or disbursement. Thus, loans are treated as income and not as an increase in liabilities. Expenditures for long-lived assets are treated as disbursements rather than as assets. Therefore, the only assets of the Local are the cash on hand and in depository institutions. This amount is also considered the fund balance. No liabilities or other assets are reflected.

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Description of the Bank Accounts

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Picnic account - This account is used for the annual picnic. Members make donations to cover the costs of the picnic. The picnic expenses are paid out of this account.

Savings accounts, certificates of deposit, and checking accounts - Excess funds not currently needed in operations are deposited in savings accounts and certificates of deposit to earn more interest on these funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Contributions

Contributions are recognized when received from donors. Contributions that are restricted by the donor are reported as increases in unrestricted cash accounts if the restrictions expire in the fiscal year in which the contributions are recognized. There is \$629 in contributions that are restricted for the next annual picnic. All donor restricted cash balances are temporarily restricted, there are no permanently restricted cash balances.

NOTE 2 - COMMITMENTS

The Local negotiated a lease agreement with the Columbia River Pensioners Association for the building it occupies. Based on the Consumer Price Index, the lease payments will be increased or decreased twelve months after the initial lease term and the beginning of every fifth year period of the lease. The Local paid \$90,20 in rents for 2021, \$75,600 was paid in cash and \$15,120 was credited to the rent expense from the prepaid rent balance. The lease is set to expire May 31, 2027. At that time, the Local would have the option to either renew the lease for an additional ten successive terms of five years each or to purchase the building. The purchase price would be 50% of the real market value of the land and improvements as determined by the Multnomah County Tax Assessor. The Local is also leasing a copy machine from Pacific Office Automation. The total rent paid for the copier for 2021 was \$4,676, which included \$368 of additional fees for excess usage.

Future minimum rental payments for the succeeding five years are as follows:

	<u>Building</u>	<u>Copier</u>
2022	\$90,720	\$4,308
2023	\$90,720	\$4,308
2024	\$90,720	\$4,308
2025	\$90,720	-
2026	\$90,720	-

In 1995, the Local paid the Columbia River Pensioners \$240,000 in prepaid rent. In 2002, the Local paid two months' rent totaling \$13,340. The remaining ten months' rent was offset against the prepaid rent. The prepaid rent was reduced by \$66,700. In 2004, the Local paid \$51,000 in prepaid rents. In 2011, the Local paid an additional \$49,000 in prepaid rents. In 2012, the Local paid \$21,000 in prepaid rent. The Pensioners then refunded the Local \$58,000 of prepaid rents. In 2013 and 2014, the Local paid \$40,000 and \$32,722 in prepaid rent respectively. In 2015, \$50,120 in prepaid rent was paid and \$63,000 in prepaid rent was refunded. There was a net decrease of \$12,880 in prepaid rent. In 2016 and 2017, \$26,359 and \$46,000 respectively, in prepaid rent was refunded. During 2021, \$15,120 in prepaid rent was applied to the current year rent expense. The prepaid balance as of December 31, 2021 is \$208,663.

The Local is subleasing a portion of the building. See Note 11 – Sublease.

NOTE 3 - RELATED-PARTY TRANSACTIONS

Members of the Local were on various regional and international committees. The Local incurred expenses and was reimbursed by the Pacific Maritime Association for the wages, per diem, and paymaster expenses. The 2021 reimbursements were \$46,122.

Note 15 on page 9 shows \$15,394 for mileage and per diem to officers. The Local provides its officers with a weekly expense allowance, as well as covering their expenses for meetings, mileage, etc. The following schedule shows how much was paid to each person for these purposes.

Della Cruz	\$ 10
Matthew Findley	2,222
Kyle Hanson	149
Ashley Hill	505
Bruce Holt	1,692
Troy Mosteller	470
Colin Nelson	10
Shelby Palmer	1,329
Stuart Strader	3,109
Leal Sundet	3,859
Adam Wetzell	<u>1,839</u>
Total	<u>\$15,394</u>

NOTE 4 - COAST LONGSHORE DIVISION RESERVE FUND

Coast Longshore Division is a division of the International Union in San Francisco. The Local has advanced \$12,088 to the reserve operating fund of this committee. This money is in the way of assessments or additions to regular billings. If the Coast Longshore Division discontinues operations, this money would be reimbursed to the Local.

NOTE 5 - PENSION PLAN

Note 15 on page 9 includes \$80,052 for office employee pension contributions. The name of the plan is Office and Professional Employees International Union, Local #11. It is completely administered by Local #11. This plan covers the bookkeeper and office staff of the Local. It is a defined contribution plan. There are two separate funds within this plan. One is for \$3.93 per hour and is paid to Western States Office and Professional Employees Pension Fund. There was a \$1.9257 assessment starting with April 2012 hours due to implementation of "Red Zone" status of the pension plan, which increased to \$2.5152 in April 2013. Starting April 2014, the "Red Zone" assessment increased to \$3.1047, and starting in April 2015 it increased to \$3.1440. The hourly assessment is negotiated by the employee. In lieu of medical coverage, the Local also pays an additional \$19,381 to the office manager's 401(k) plan.

NOTE 5 - PENSION PLAN (CONCLUDED)

The Local also pays premiums to Pacific Maritime for the cost of the business agent's pension and medical. The business agent is then covered by the ILWU-PMA Pension/Welfare Plan. The total amount reimbursed in 2021 was \$65,169 of which \$22,242 was for pension. The rate was \$10.69 for hours through June 30, 2021 and \$15.47 for hours through December 31, 2021.

NOTE 6 - JOINT EXPENSES

Note 15 on page 9 shows \$201,869 for joint hiring hall expenses. These expenses are paid monthly to the Portland Joint Labor Relations Committee for the Local's share of the joint expenses that the Portland Joint Labor Relations Committee has paid. The breakdown of these items follows:

Wages/dispatcher	\$117,848
Payroll taxes	71,445
Benefit assessment	11,270
401(k)	1,920
Rent	4,914
Repair & maintenance	7
Utilities	2,306
Protection	212
Telephone	640
Workers compensation insurance	(7)
Office expense	800
Cleaning supplies	154
Janitorial	2,491
Audit & tax services	942
Property taxes	3,730
Deposit-casual collections	<u>(16,804)</u>
Total	<u>\$201,869</u>

The Local also receives reimbursements from the Joint Labor Relations Committee for the committee's share of the joint expenses that the Local pays. Note 14 on page 9 shows \$86,960 for joint committee reimbursements. The breakdown of these items follows:

Rent	\$32,760
Utilities & telephone	20,138
Janitorial	16,934
Hall expenses	910
Property taxes	12,970
Copier	1,833
Miscellaneous	<u>1,415</u>
Total	<u>\$86,960</u>

NOTE 7 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Local maintains cash balances at several financial institutions located in Oregon. Accounts at each institution are insured by the Federal Deposit Insurance Corporation or National Credit Union Association up to \$250,000. On December 31, 2021, the uninsured bank balance was \$202,988.

The primary source of revenue is union dues which are paid exclusively by union members and pro-rata payments paid by non-union limited registered and identified casual workers; and affiliated workers. All are represented by Local 8, and all are employed in a single related industry and are concentrated in the Portland metro area.

NOTE 8 – INCOME TAX POSITIONS

The Local has been granted tax-exempt status under I.R.C. 501(c)(5). Under the provisions of this section, the Local pays no income tax on any revenue related to its exempt purpose. The Local is required to file an annual informational return with the Internal Revenue Service. In the opinion of management, the Local did not enter into any transactions that may be subject to income tax on unrelated business income during the year ended December 31, 2021. Tax years that remain subject to examination are 2019, 2020, 2021 and 2022.

In accordance with the cash basis of accounting, the Local's policy is to record interest and penalties when they are paid.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 11, 2023 which represents the date the statement was available to be issued.

NOTE 10 - CONTINGENCIES

There is one matter where it is reasonably possible that the outcome may result in a liability to the Local. A major terminal operator, ICTSI Oregon, Inc., ceased operations at terminal 6 in March of 2015. The Local is a Co-Defendant along with it's International ILWU. The Coast Longshore Division (CLD) has assumed responsibility for the litigation expenses related to this matter. On November 4, 2019, a jury returned a verdict in favor of ICTSI Oregon Inc. with damages of \$93,635,000 awarded. The jury concluded that \$51,493,750 (55%) of those damages were the sole responsibility of the ILWU and \$41,131,250 (45%) were the sole responsibility the Local 8. The case is currently being appealed in the Ninth Circuit Court. A district judge has vacated the \$93,635,000 judgement and a new damages trial has been set for February, 2024. Management and counsel intend to vigorously contest this matter and the liability, if any, resulting from this legal matter could be material in relation to the accompanying financial statement.

NOTE 11 - SUBLEASE

In 2004, the Columbia River Pensioners constructed facilities for the portion of the building the Local is subleasing to Portland Local 8 Federal Credit Union. The Local and Portland Local 8 Federal Credit Union have a 15-year lease that commenced when the construction was complete effective July 1, 2004. Under the terms of the lease, base rent is \$39,000 for the first 5 years, \$44,850 for the next 5 years, and \$51,578 for the final 5 years. There are two 5-year options to renew the lease, and in July of 2019 the lease was extended to include two additional 5-year options to renew. Rent received from the credit union in 2021 was \$52,815. Sublease base rent for the next five years is as follows:

2022	\$52,815
2023	\$54,960
2024	\$57,403
2025	\$58,241
2026	\$58,241

The Local is also subleasing office space to various other labor organizations. The leases are month-to-month. Total rent for the month-to-month subleases for 2021 was \$22,260.

NOTE 12 – CASH AVAILABLE FOR GENERAL EXPENDITURE

Total cash balance as of December 31, 2021:	\$484,041
Cash for picnic fund:	<u>629</u>
Donor imposed temporarily restricted cash balance:	<u>629</u>
Unrestricted cash balance as of December 31, 2021:	<u>\$483,412</u>

NOTE 13 – GOING CONCERN

The Organization's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. As explained in Note 10, there is a contingent liability related to a lawsuit. Although management has appealed the verdict, the Local has been ordered to pay \$41,131,250 in damages. If these damages are not reversed in appeal, the Local would be insolvent.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Organization, which in turn is dependent upon the Organization's ability to meet its financial requirements, raise additional cash, and the success of its future operations.

Management and counsel intend to vigorously contest this matter and the related liability. The Organization has continued to operate for more than three years after the damages were awarded. Management believes that the appeal provides an opportunity for the Organization to continue as a going concern.

**INTERNATIONAL LONGSHOREMEN'S AND
WAREHOUSEMEN'S UNION, LOCAL #8**

Notes to Financial Statement (Concluded)

December 31, 2021

(See Accompanying Accountant's Review Report)

NOTE 14 - RECEIPTS

Regular dues - Class A	\$ 1,314,186
Permit fees - Class B	158,712
Other divisions	5,190
Meeting fines	2,435
Initiation fees	11,900
Active retired	972
Rent	75,075
Joint committee reimbursements	86,960
Interest income	1,492
Affiliated entity reimbursements	46,122
Miscellaneous	54,987
Total receipts	<u>\$ 1,758,031</u>

NOTE 15 - DISBURSEMENTS

Salaries and wages	\$ 411,424
Mileage and per diem	15,394
Affiliation fees	398,633
Office supplies and expense	41,820
Utilities and telephone	68,228
Hall expense	80,210
Joint hiring hall expenses	201,869
Rent	75,600
Meeting expenses	1,600
Death benefits	2,500
Flowers	1,286
Donations from assessments	9,594
Payroll tax	41,917
Property tax	44,177
Officers' pension reimbursement	65,169
Office employee pension contributions and benefits	80,052
Insurance	13,680
Worker's compensation	848
Professional fees	4,548
Reimbursed expenses	2,232
Picnic expenses	1,042
Total disbursements	<u>\$ 1,561,823</u>

**INTERNATIONAL LONGSHOREMEN'S AND
WAREHOUSEMEN'S UNION, LOCAL #8**
Statement of Cash Receipts and Disbursements
For the year ended December 31, 2020
(See Accompanying Notes and Accountant's Review Report)

Beginning balance summary:

Cash on hand	\$ 8,907
General checking account	23,776
Checking account	270
Credit union account	95,453
Certificate of deposit	96,360
Picnic account	<u>1,670</u>
 Total beginning balance	 <u>226,436</u>

Receipts (note 14)	1,588,001
Disbursements (note 15)	<u>1,526,604</u>

Ending balance	<u><u>\$ 287,833</u></u>
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Ending balance summary:

Cash on hand	\$ 10,758
General checking account	13,487
Checking account	270
Credit union account	111,270
Certificate of deposit	150,378
Picnic account	<u>1,670</u>
 Total ending balance	 <u><u>\$ 287,833</u></u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Local

International Longshoremen's and Warehousemen's Union, Local #8 (the Local) was formed as a non-profit organization in 1934. The Local was formed to unite all of the longshoremen and other members under the jurisdiction of the International Longshoremen's and Warehousemen's Union, Local #8 for the purpose of securing concert of action in whatever they may regard as beneficial to their mutual interests. The Local, in Portland, Oregon, is affiliated with the International Union in San Francisco.

Method of Accounting

International Longshoremen's and Warehousemen's Union, Local #8 presents its financial statements on the cash basis of accounting. Under this method, all receipts of funds are treated as income and all disbursements are treated as expenditures, regardless of the character of the receipt or disbursement. Thus, loans are treated as income and not as an increase in liabilities. Expenditures for long-lived assets are treated as disbursements rather than as assets. Therefore, the only assets of the Local are the cash on hand and in depository institutions. This amount is also considered the fund balance. No liabilities or other assets are reflected.

Federal Income Taxes

The Local is recognized as an exempt organization under Internal Revenue Code Section 501(c)(5). Therefore, it is not liable for federal income taxes on its exempt functions.

Description of the Bank Accounts

General checking account - This account is used for the primary day-to-day activities of the Local. Most of the operating income and expenses flow through this account.

Picnic account - This account is used for the annual picnic. Members make donations to cover the costs of the picnic. The picnic expenses are paid out of this account.

Savings accounts, certificates of deposit, and checking accounts - Excess funds not currently needed in operations are deposited in savings accounts and certificates of deposit to earn more interest on these funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Contributions

Contributions are recognized when received from donors. Contributions that are restricted by the donor are reported as increases in unrestricted cash accounts if the restrictions expire in the fiscal year in which the contributions are recognized. There is \$1,670 in contributions that are restricted for the next annual picnic. All donor restricted cash balances are temporarily restricted, there are no permanently restricted cash balances.

NOTE 2 - COMMITMENTS

The Local negotiated a lease agreement with the Columbia River Pensioners Association for the building it occupies. Based on the Consumer Price Index, the lease payments will be increased or decreased twelve months after the initial lease term and the beginning of every fifth year period of the lease. The Local paid \$90,720 in rents for 2020. The lease is set to expire May 31, 2027. At that time, the Local would have the option to either renew the lease for an additional ten successive terms of five years each or to purchase the building. The purchase price would be 50% of the real market value of the land and improvements as determined by the Multnomah County Tax Assessor. Future minimum rental payments for the succeeding five years are as follows:

2021	\$90,720
2022	\$90,720
2023	\$90,720
2024	\$90,720
2025	\$90,720

In 1995, the Local paid the Columbia River Pensioners \$240,000 in prepaid rent. In 2002, the Local paid two months' rent totaling \$13,340. The remaining ten months' rent was offset against the prepaid rent. The prepaid rent was reduced by \$66,700. In 2004, the Local paid \$51,000 in prepaid rents. In 2011, the Local paid an additional \$49,000 in prepaid rents. In 2012, the Local paid \$21,000 in prepaid rent. The Pensioners then refunded the Local \$58,000 of prepaid rents. In 2013 and 2014, the Local paid \$40,000 and \$32,722 in prepaid rent respectively. In 2015, \$50,120 in prepaid rent was paid and \$63,000 in prepaid rent was refunded. There was a net decrease of \$12,880 in prepaid rent. In 2016 and 2017, \$26,359 and \$46,000 respectively, in prepaid rent was refunded. There were no changes in prepaid rent during 2020. The prepaid balance as of December 31, 2020 is \$223,783.

The Local is subleasing a portion of the building. See Note 11 – Sublease.

NOTE 3 - RELATED-PARTY TRANSACTIONS

Members of the Local were on various regional and international committees. The Local incurred expenses and was reimbursed by the Pacific Maritime Association for the wages, per diem, and paymaster expenses. The 2020 reimbursements were \$32,404.

Note 15 on page 9 shows \$9,899 for mileage and per diem to officers. The Local provides its officers with a weekly expense allowance, as well as covering their expenses for meetings, mileage, etc. The following schedule shows how much was paid to each person for these purposes.

Della Cruz	\$3,030
Ashley Hill	461
Bruce Holt	2,213
Troy Mosteller	2,099
Michael Stanton	120
Stuart Strader	190
Leal Sundet	740
Adam Wetzell	<u>1,046</u>
Total	<u>\$9,899</u>

NOTE 4 - COAST LONGSHORE DIVISION RESERVE FUND

Coast Longshore Division is a division of the International Union in San Francisco. The Local has advanced \$12,088 to the reserve operating fund of this committee. This money is in the way of assessments or additions to regular billings. If the Coast Longshore Division discontinues operations, this money would be reimbursed to the Local.

NOTE 5 - PENSION PLAN

Note 15 on page 9 includes \$80,921 for office employee pension contributions. The name of the plan is Office and Professional Employees International Union, Local #11. It is completely administered by Local #11. This plan covers the bookkeeper and office staff of the Local. It is a defined contribution plan. There are two separate funds within this plan. One is for \$3.93 per hour and is paid to Western States Office and Professional Employees Pension Fund. There was a \$1.9257 assessment starting with April 2012 hours due to implementation of "Red Zone" status of the pension plan, which increased to \$2.5152 in April 2013. Starting April 2014, the "Red Zone" assessment increased to \$3.1047, and starting in April 2015 it increased to \$3.1440. The hourly assessment is negotiated by the employee. In lieu of medical coverage, the Local also pays an additional \$19,552 to the office manager's 401(k) plan.

The Local also pays premiums to Pacific Maritime for the cost of the business agent's pension and medical. The business agent is then covered by the ILWU-PMA Pension/Welfare Plan. The total amount reimbursed in 2020 was \$66,341 of which \$23,817 was for pension. The rate was \$14.68 for hours through June 30, 2020 and \$10.69 for hours through December 31, 2020.

NOTE 6 - JOINT EXPENSES

Note 15 on page 9 shows \$198,940 for joint hiring hall expenses. These expenses are paid monthly to the Portland Joint Labor Relations Committee for the Local's share of the joint expenses that the Portland Joint Labor Relations Committee has paid. The breakdown of these items follows:

Wages/dispatcher	\$114,498
Payroll taxes	10,621
Benefit assessment	69,023
401(k)	1,988
Rent	4,536
Repair & maintenance	10
Utilities	2,036
Protection	1,710
Telephone	591
Workers compensation insurance	341
Office expense	617
Cleaning supplies	125
Janitorial	2,205
Audit & tax services	934
Property taxes	1,718
Deposit-casual collections	<u>(12,013)</u>
Total	<u>\$198,940</u>

The Local also receives reimbursements from the Joint Labor Relations Committee for the committee's share of the joint expenses that the Local pays. Note 14 on page 9 shows \$77,146 for joint committee reimbursements. The breakdown of these items follows:

Rent	\$30,240
Utilities & telephone	17,435
Janitorial	14,774
Hall expenses	2,181
Property taxes	11,897
COVID sanitizing	<u>619</u>
Total	<u>\$77,146</u>

NOTE 7 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Local maintains cash balances at several financial institutions located in Oregon. Accounts at each institution are insured by the Federal Deposit Insurance Corporation or National Credit Union Association up to \$250,000. On December 31, 2020, the uninsured bank balance was \$13,589.

The primary source of revenue is union dues which are paid exclusively by union members and pro-rata payments paid by non-union limited registered and identified casual workers; and affiliated workers. All are represented by Local 8, and all are employed in a single related industry and are concentrated in the Portland metro area.

NOTE 8 – INCOME TAX POSITIONS

The Local has been granted tax-exempt status under I.R.C. 501(c)(5). Under the provisions of this section, the Local pays no income tax on any revenue related to its exempt purpose. The Local is required to file an annual informational return with the Internal Revenue Service. In the opinion of management, the Local did not enter into any transactions that may be subject to income tax on unrelated business income during the year ended December 31, 2020. Tax years that remain subject to examination are 2019, 2020, 2021 and 2022.

In accordance with the cash basis of accounting, the Local's policy is to record interest and penalties when they are paid.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 29, 2023 which represents the date the statement was available to be issued.

NOTE 10 - CONTINGENCIES

There is one matter where it is reasonably possible that the outcome may result in a liability to the Local. A major terminal operator, ICTSI Oregon, Inc., ceased operations at terminal 6 in March of 2015. The Local is a Co-Defendant along with it's International ILWU. The Coast Longshore Division (CLD) has assumed responsibility for the litigation expenses related to this matter. On November 4, 2019, a jury returned a verdict in favor of ICTSI Oregon Inc. with damages of \$93,635,000 awarded. The jury concluded that \$51,493,750 (55%) of those damages were the sole responsibility of the ILWU and \$41,131,250 (45%) were the sole responsibility the Local 8. The case is currently being appealed in the Ninth Circuit Court. A district judge has vacated the \$93,635,000 judgement and a new damages trial has been set for February, 2024. Management and counsel intend to vigorously contest this matter and the liability, if any, resulting from this legal matter could be material in relation to the accompanying financial statement.

NOTE 11 - SUBLEASE

In 2004, the Columbia River Pensioners constructed facilities for the portion of the building the Local is subleasing to Portland Local 8 Federal Credit Union. The Local and Portland Local 8 Federal Credit Union have a 15-year lease that commenced when the construction was complete effective July 1, 2004. Under the terms of the lease, base rent is \$39,000 for the first 5 years, \$44,850 for the next 5 years, and \$51,578 for the final 5 years. There are two 5-year options to renew the lease, and in July of 2019 the lease was extended to include two additional 5-year options to renew. Rent received from the credit union in 2020 was \$52,815. Sublease base rent for the next five years is as follows:

2021	\$52,815
2022	\$54,960
2023	\$57,403
2024	\$58,241
2025	\$58,241

The Local is also subleasing office space to various other labor organizations. The leases are month-to-month. Total rent for the month-to-month subleases for 2020 was \$18,731.

NOTE 12 – CASH AVAILABLE FOR GENERAL EXPENDITURE

Total cash balance as of December 31, 2020:	\$287,832
Cash for picnic fund:	<u>1,670</u>
Donor imposed temporarily restricted cash balance:	1,670
Unrestricted cash balance as of December 31, 2020:	<u>\$286,162</u>

NOTE 13 – GOING CONCERN

The Organization's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. As explained in Note 10, there is a contingent liability related to a lawsuit. Although management has appealed the verdict, the Local has been ordered to pay \$41,131,250 in damages. If these damages are not reversed in appeal, the Local would be insolvent.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Organization, which in turn is dependent upon the Organization's ability to meet its financial requirements, raise additional cash, and the success of its future operations.

Management and counsel intend to vigorously contest this matter and the related liability. The Organization has continued to operate for more than three years after the damages were awarded. Management believes that the appeal provides an opportunity for the Organization to continue as a going concern.

**INTERNATIONAL LONGSHOREMEN'S AND
WAREHOUSEMEN'S UNION, LOCAL #8**

Notes to Financial Statement (Concluded)

For the year ended December 31, 2020

(See Accompanying Accountant's Review Report)

NOTE 14 - RECEIPTS

Regular dues - Class A	\$ 1,329,177
Permit fees - Class B	59,333
Other divisions	7,365
Meeting fines	1,564
Initiation fees	4,600
Active retired	1,013
Rent	71,546
Joint committee reimbursements	77,146
Interest income	1,170
Coffee and supplies donations	619
Affiliated entity reimbursements	32,404
Miscellaneous	2,064
Total receipts	<u>\$ 1,588,001</u>

NOTE 15 - DISBURSEMENTS

Salaries and wages	\$ 389,975
Mileage and per diem	9,899
Affiliation fees	393,871
Office supplies and expense	26,774
Utilities and telephone	62,195
Hall expense	82,748
Joint hiring hall expenses	198,940
Rent	90,720
Meeting expenses	900
Death benefits	2,500
Flowers	702
Donations from assessments	10,686
Payroll tax	39,956
Property tax	40,524
Officers' pension reimbursement	66,341
Office employee pension contributions and benefits	80,921
Insurance	16,034
Worker's compensation	1,393
Professional fees	6,215
Reimbursed expenses	2,212
Picnic expenses	200
Miscellaneous	2,898
Total disbursements	<u>\$ 1,526,604</u>

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INTERNATIONAL LONGSHORE & WAREHOUSE

11/01/23

Balance Sheet

Cash Basis

As of October 31, 2023

	Oct 31, 23
ASSETS	
Current Assets	
Checking/Savings	
101 · GENERAL BANK ACCOUNT	43,643.89
103 · PICNIC ACCOUNT	4,720.33
105 · CERTIFICATE OF DEPOSIT	123,471.48
106 · CREDIT UNION CHECKING	106,142.93
107 · CREDIT UNION ACCOUNT	270.46
108 · CASH ON HAND	15,392.57
Total Checking/Savings	293,641.66
Total Current Assets	293,641.66
TOTAL ASSETS	293,641.66
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
201 · PAYROLL LIABILITIES	1,156.14
Total Other Current Liabilities	1,156.14
Total Current Liabilities	1,156.14
Total Liabilities	1,156.14
Equity	
301 · FUND BALANCE	389,762.05
302 · Opening Bal Equity	-157,590.20
3900 · Retained Earnings	199,456.69
Net Income	-139,143.02
Total Equity	292,485.52
TOTAL LIABILITIES & EQUITY	293,641.66

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INTERNATIONAL LONGSHORE & WAREHOUSE

11/01/23

Balance Sheet

Cash Basis

As of October 18, 2023

	Oct 18, 23
ASSETS	
Current Assets	
Checking/Savings	
101 · GENERAL BANK ACCOUNT	40,677.56
103 · PICNIC ACCOUNT	4,720.33
105 · CERTIFICATE OF DEPOSIT	123,435.63
106 · CREDIT UNION CHECKING	100,939.19
107 · CREDIT UNION ACCOUNT	270.46
108 · CASH ON HAND	5,454.53
Total Checking/Savings	275,497.70
Total Current Assets	275,497.70
TOTAL ASSETS	275,497.70
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
201 · PAYROLL LIABILITIES	1,156.14
Total Other Current Liabilities	1,156.14
Total Current Liabilities	1,156.14
Total Liabilities	1,156.14
Equity	
301 · FUND BALANCE	389,762.05
302 · Opening Bal Equity	-157,590.20
3900 · Retained Earnings	199,456.69
Net Income	-157,286.98
Total Equity	274,341.56
TOTAL LIABILITIES & EQUITY	275,497.70

INTERNATIONAL LONGSHORE & WAREHOUSE
Sales by Item Summary
October 18 - 31, 2023

11/01/23

	Oct 18 - 31, 23			
	Qty	Amount	% of Sales	Avg Pri...
Service				
401-REG DUES (REGULAR DUES - CLASS A)	15	10,157.09	56.1%	677.14
402-PERMIT (PERMIT FEES)	10	2,215.30	12.2%	221.53
403-OTHER DIV (OTHER DIVISIONS)	17.00	330.00	1.8%	19.41
409-RETIRED (ACTIVE RETIRED DUES)	13	156.00	0.9%	12.00
413-RENTAL IN (RENTAL INCOME)	3.00	5,263.74	29.1%	1,754.58
509-OFFICE (OFFICE SUPPLIES)	1	-14.60	-0.1%	-14.60
Total Service	59.00	18,107.53	100.0%	306.91
TOTAL	59	18,107.53	100.0%	306.91

G/L entry
23.10.09

+ 81.54 interest earned
- 45.11 4/D surrender fee

36.43

18,143.96

1 CERTIFICATE OF SERVICE

2 I, Janine E. Hume declare as follows:

3 I am employed in the County of Multnomah, state of Oregon; I am over the age of eighteen
4 years and am not a party to this action; my business address is 1000 SW Broadway, Suite 1400,
5 Portland, Oregon 97205-3089, in said county and state.

6 I certify that on November 2, 2023, I served the **DEBTOR'S RESPONSE TO CASE**
7 **MANAGEMENT ORDER** on all ECF participants as indicated on the Court's Cm/ECF system.

8 I swear under penalty of perjury that the foregoing is true and correct to the best of my
9 knowledge, information, and belief.

10 Dated: November 2, 2023.

11
12 */s/ Janine E. Hume*

13 Janine E. Hume, Legal Assistant
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